STATEMENT OF PETER PITSCH
DIRECTOR COMMUNICATIONS POLICY
INTEL CORPORATION

Submitted to
CHAIRMAN MIKE NOFS
AND MEMBERS OF THE HOUSE ENERGY AND TECHNOLOGY COMMITTEE
Concerning House Bill 5237 Section 252, Public Entity Provision of Telecommunications Services
October 10, 2005

Intel is the world's largest semiconductor manufacturer and a leading technology company. We have a longstanding interest in promoting public policies that foster broadband deployment and facilities-based competition. We respectfully submit these comments on House Bill 5237, Section 252, for your consideration.

Many municipalities are considering ways to promote broadband networks in their communities. Legitimate concerns have been raised about the merits of such public-sector efforts, but Intel believes state laws prohibiting or foreclosing these efforts are a mistake. During 2005, numerous State bills seeking barriers to public-sector entry have been defeated, thanks to the collaborative efforts of a diverse group of interested parties from both the public and private sectors. As well, Senators Lautenberg (D-NJ) and McCain (R-AZ) introduced the Community Broadband Act of 2005 (S.1294) in June. Intel's Press Statement on release of S.1294 praised their approach as striking an appropriate balance that requires competitive neutrality and open, transparent processes. Intel believes that framework should encourage public-private partnerships that benefit both the marketplace and consumers.

Some promising cooperative efforts between municipalities and multiple private sector partners already exist or are underway. Intel and multiple private sector partners are working with communities worldwide to help communities fulfill their unmet needs, through our Digital Communities Initiative (see Intel Digital Communities Press Release, in Appendix A).

Presumptively, municipalities should follow common sense guidelines designed to promote competitive neutrality that is reasonable for their particular circumstances. Because circumstances vary, however, statewide blanket prescriptions are unwise. Some municipalities may find private sector partners able to provide all of their services. Others may find private partners able to provide some, but not all, of the services they require. Still others – because of their small size or remote location – may not find any private sector partners willing to provide their services. The key is that municipalities use open and neutral processes to determine the reasonable level of private sector involvement, and apply their ordinances and rules without discrimination in favor of themselves or affiliated providers.

In summary, Intel supports allowing municipalities to pursue network solutions that are arrived at through open processes and are reasonably competitively neutral. We believe that framework encourages public-private partnerships that could advance the goal of making affordable and high quality broadband available to all Americans.

Respectfully submitted,
/s/ Peter K. Pitsch

Peter K. Pitsch
Director, Communications Policy
Intel Corporation

APPENDIX A: Intel Digital Communities Press Release

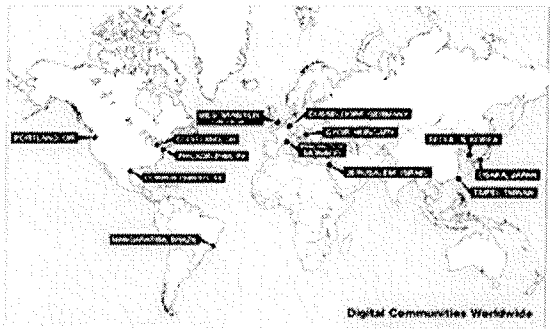
Intel to Help Communities Worldwide Maximize Their Wireless Capabilities

Thursday August 18, 12:00 pm ET

Cleveland, Corpus Christi, Philadelphia and Taipei Embrace Technology to Improve, Expand Municipal Services

SANTA CLARA, Calif.--(BUSINESS WIRE)--Aug. 18, 2005--Intel Corporation today announced an initiative to help communities use wireless technology and innovative applications to expand and improve services for municipal governments, businesses and citizens.

Source: Intel Corporation



· View multimedia news release

Under the "Digital Communities" initiative, Intel is leading a diverse group of high-tech companies to help 13 "pilot" communities design, develop and deploy comprehensive solutions and services to enhance government efficiency, promote economic growth, foster greater community satisfaction and bridge the digital divide. The applications range from automating mobile workers such as meter readers and building inspectors to increasing the safety and enhancing resource management of first responders by remotely monitoring vehicle location to enhancing parent, teacher collaboration for improved student success.

Cleveland; Corpus Christi, Texas; Philadelphia; and Taipei, Taiwan are among the worldwide pilot communities using technology industriously today.

"As wireless technology continues to evolve, local governments are seizing the opportunity to address critical issues in their community including equal and affordable access to broadband and more efficient and effective government services," said Anand Chandrasekher, vice president and director, Intel Sales and Marketing Group. "We are working closely with these communities to help them take the next step and harness the benefits of wireless technology. The benefits include lower cost of operations, enhanced public safety and security, and a foundation for growth and competitiveness."

"Philadelphia is working closely with Intel on the Digital Communities initiative, which has helped advance the concept that wireless networks deliver multitudes of benefits beyond broadband access," said Dianah Neff, Philadelphia's chief information officer. "We believe our wireless network will ensure efficiencies for government, business and citizens in the areas of reducing processing time by as much as two hours per day for field operations staff; lowering cost of high-speed Internet access for small and disadvantaged businesses to help them grow or create new companies; connecting parents with schools to access homework, tutorials and advanced classes, ensuring a successful future for all children; and providing computers, training and affordable connectivity to all people regardless of their economic status."

Digital Communities Worldwide

The Digital Communities pilots span major geographies including the Americas, Europe and Asia Pacific. In addition to the four pilot communities previously mentioned, other participating cities include Portland, Ore. in the United States, along with Mangaratiba, Brazil; Dusseldorf, Germany; Gyor,

Hungary; Jerusalem, Israel; Principality of Monaco; Seoul, South Korea; Osaka, Japan; and Westminster, United Kingdom.

Intel is working closely with Cisco, Dell, IBM, and SAP to help communities around the world replicate the successful installments in the pilot communities, which span from small cities to major metropolitan areas.

Corpus Christi, for example, is deploying solutions under a large wireless network that will soon span 147 square miles. This "multi-use" network, consisting of Tropos' mesh technology and Pronto Networks' security and management software, allows private and public users to securely share the same infrastructure, accessing only authorized applications and services. The city expects to significantly benefit from mobile solutions, given 70 percent of its employees work in the field. Three of the solutions deployed focus on building inspection, video surveillance and vehicle location. Dell outfitted the city's Construction and Permits Department with a mobile solution to re-engineer building inspectors' work processes with the ability to update permit data from a construction site, improving accuracy and reducing the inspection cycle by up to six days. IBM equipped police cars with the capability for streaming video, providing insight and the tools for better decision making regarding incident response and documentation of violators at a crime scene. SAP developed a vehicle asset location tool that allows the city to track vehicles more affordably, dispatch work crews more efficiently and ensure the safety of its first responders.

With a population of 2.63 million, Taipei is utilizing its extensive wireless infrastructure to enhance education and government services. The city created an online e-University program which offers citizens almost 700 classes covering topics such as management, language and humanities. Government efficiencies are being realized in a number of diverse areas including paperless administration, security surveillance and automated transportation systems. Utilized citywide by 500 agencies, including land registration and building management, the administrative e-paper exchange system handles 400,000 documents every month, eliminating the need to have physical certificates. Taipei's transportation information system can quickly collect traffic information and help plan traffic control strategies.

Mobile workers and first responders are the initial focus of Cleveland and Northeast Ohio's Digital Communities effort, which is powered by OneCleveland, the region's nonprofit ultra broadband and applications delivery network. The first solution deployed by the City of Cleveland is an enterprise e-permitting application that utilizes mobile and wireless technology from Cisco Systems, IBM and Accela. The e-permitting application, which transforms the outdated paper-based system, integrates the workflow activities of 11 departments and impacts 500 employees, giving them the ability to file reports, schedule inspections and issue permits from the field. Inspectors, such as building, housing and water department representatives, accomplish more in a day by reducing the inspection cycle, automating the review process and downloading new assignments from remote locations. Cleveland is expecting to broaden the use of the wireless network in the future to include applications that enhance public safety, improve access to health care information and services and expand distance learning.

The Digital Communities Consortium

Cisco, Dell, IBM and SAP are joined in the Digital Communities program by Accela, Airpath Wireless, Alvarion, British Telecom, CapGemini, CDW Government, Inc (CDW-G), Check Point, Civitium, EarthLink, iMove, Panasonic Computer Solutions Company, Pronto Networks, Szintezis Rt., Telindus, Tropos and Vertex.

Intel is also working closely with Muniwireless.com, an online site devoted to municipal wireless broadband, detailing the return on investment that local governments can realize from technology deployment. In conjunction with the Intel Digital Communities initiative, Muniwireless created a solutions library with case studies that highlights how applications can help governments increase productivity, save money and improve services.

Additional information on Intel's Digital Communities initiative and pilot communities is available at www.intel.com/go/digitalcommunities.

Intel, the world's largest chip maker, is also a leading manufacturer of computer, networking and communications products. Additional information about Intel is available at www.intel.com/pressroom.

Intel Digital Communities Quote Sheet

Dr. Robert P. Lee, president and chief executive officer, Accela

"Intel's Digital Communities initiative is a natural fit for our government enterprise solutions, which help government agencies improve internal efficiencies, increase citizen satisfaction, and spur economic growth in their communities, Lee said. "We are looking forward to working with Intel and sharing our ideas and strategies for implementing effective e-government solutions."

Todd Myers, chief executive officer, Airpath

"Airpath is pleased to work with Intel on the Digital Communities program," Myers said. "Our solutions enable municipalities to easily and rapidly provision multi-use networks and get the most out of the network infrastructure by providing software for wholesale roaming access to other service providers. These capabilities are core to enabling communities to extend tools to government workers, businesses and citizens."

Martin Bettels, director alliances, Central Europe, CapGemini

"Intel has changed from a pure world class technology company into a driver for business innovation," Bettels said. "Intel's engagement in our d-NRW project has proven that this positioning is highly valuable for CapGemini and the dNRW activities. The joint engagement is very innovative, concrete and professional."

Andy Lausch, director of state and local government sales, CDW-G

"Working with Intel and the Digital Communities partners, CDW-G is harnessing the power of the Intel product line to design and deploy scalable, wireless infrastructures in communities across the United States," Lausch said. "In these cities and counties, both large and small, intelligent mobile devices and interoperable communications networks will increase the productivity of government employees, improve real-time public safety data and bring new services to citizens where they live and work."

Alan Cohen, senior director of marketing, Wireless Networking Business Unit, Cisco Systems

"Cisco shares a vision with Intel for delivering unified technology solutions that help governments around the world to create connected communities, linking constituents to important resources," Cohen said. "Cisco collaborates with leading companies like IBM, and Intel, to offer numerous advantages to municipalities, including the provision of new information and services to employees and constituents not previously available or easily accessible. These solutions greatly enhance employee productivity."

Greg Richardson, managing partner, Civitium

"We are thrilled to be participating with Intel in the Digital Communities initiative," Richardson said. "Intel's vision has provided a framework for community leaders everywhere to achieve social and economic benefits through the use of wireless broadband and other technologies."

George (Skip) K. Noe, city manager, Corpus Christi

"Being an Intel Digital Community allows us to think broadly about technology and the transformation it can make for government and individuals. Wi-Fi is an amazing technology with multiple facets," Noe said. "This is a unique opportunity to improve service for our customers and end up with a resource the entire community can benefit from. Wi-Fi is creating endless possibilities for economic development and improved cost service in Corpus Christi."

John Herring, president and chief executive officer, iMove

"The Intel Digital Communities Program provides an outstanding infrastructure to support the transfer of iMove's innovative imaging solutions, developed for the DOD and Federal Agencies to the commercial marketplace," Herring said. "We look forward to assisting the Digital Communities to enhance their situational awareness for Homeland Security."

Jasbir Singh, president and chief executive officer, Pronto Networks

"Municipalities are looking for complete solutions that will bring affordable, high-speed Internet access to their employees and citizens, attracting and retaining businesses," Singh said. "Our OSS platform enables municipalities, such as Corpus Christi, to achieve these goals by providing a single "multi-use" network that allows employees, residents and visitors to securely share the same infrastructure and access productivity-enhancing applications. We are pleased to be working with Intel and other leading vendors to bring innovative, broadband wireless solutions to local governments and look forward to rolling out the Digital Communities program worldwide."

Steve Peck, president, SAP Public Services, Inc

"By establishing extensive and integrated wireless communities, the Intel Digital Communities program will transform the way government does business," Peck said. "Communities can now proactively improve citizen service and public safety by relying on innovative technologies that address the greater good."

Dr. Ying-Jeou Ma, mayor, Taipei, Taiwan

"Taipei's Cybercity development plan aims to accomplish six goals: the built-up of a city-wide wireless information infrastructure, improving e-government services, promoting e-business, transforming citizen's lives into e-living, developing IT education, and bridging the digital divide," Ma said. "All these efforts enable Taipei, a city very capable of using information technology, to transform itself into in the era of global competition. Through our government's planning and implementation, combined with an advanced broadband infrastructure, Taipei is now marching toward an efficient yet humanized city. The second stage of the Cybercity plan consists of an infrastructure of 3,000 access points around MRT stations and the downtown area, approximately 28 square kilometers, which is where almost 50 percent of the population resides. By early next year, we will have the enlarged the downtown coverage area to approximately 113 square kilometers, providing citizens with access to wireless broadband. Since Intel is an important advocate for Digital Communities and wireless technologies, we have many areas to cooperate with each other in developing Taipei's wireless environment."

Ron Sege, president and chief executive officer, Tropos Networks

"Tropos Networks is very excited to be working with Intel and their Digital Communities partners to deliver the promise of Corpus Christi's metro-scale Wi-Fi mesh network," Sege said. "The Digital Communities program brings together the ecosystem infrastructure and application partners that will deliver value to Corpus Christi and its residents over the city's fast, low-cost and simple Tropos MetroMesh."

MULTIMEDIA AVAILABLE: http://www.businesswire.com/cgi-bin/mmg.cgi?eid=4955573

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